

HOUSE JOINT RESOLUTION 216

By Naifeh

A RESOLUTION to officially express displeasure and dismay with the mounting Federal Debt.

WHEREAS, at the end of this past century, the United States of America was enjoying record budget surpluses and, in 1999, for the first time in over 25 years, bought back U.S. Treasury bills, notes, and bonds to reduce our national debt; and

WHEREAS, since 2001, the United States Congress, at the request of the Bush Administration, has raised the debt ceiling limit annually to prevent financial default to the now unprecedented level of \$8,074,000,000,000, which is approximately 70 percent of the entire U.S. economy; and

WHEREAS, today the United States is, by far, the largest debtor nation in the world and foreign countries are purchasing our debt in record amounts; since 2001, the amount of federal private debt owned by foreign interest has increased by 73 percent. According to the U.S. Treasury Department, major foreign holdings of U.S. debt total over \$1.93 trillion; and

WHEREAS, as of November 2004, U.S. Treasury securities held by foreign countries include China with \$191.1 billion, OPEC nations with \$60.6 billion, Caribbean Banking Centers with \$76.2 billion, and Japan with \$714.9 billion; and

WHEREAS, between January of 2001 and May of 2004, the foreign holdings of U.S. debt have increased \$740 billion with Japan adding \$356 billion, China \$116 billion, and Caribbean Banking Centers \$41 billion. In 2003, 70 percent of the federal deficit was borrowed from foreign investors; and

WHEREAS, as of November 2004, 43 percent of the U.S. debt is held by foreign interests; China now holds \$241 billion, an increase of 142 percent since 2001; and

WHEREAS, the high level of foreign holdings could have a debilitating impact on our economy; a country threatening to sell large volumes of U.S. Treasury securities would result in pressure on the Federal Reserve to raise interest rates and thus fuel higher inflation, putting our economy at risk for a large-scale recession; and

WHEREAS, equally threatening to the American economy are the massive annual interest payments on the U.S. debt, which are estimated to total over \$1.09 trillion between 2004 and 2008; and

WHEREAS, the foreign policy of our great Nation should not be put in a position to be held hostage because our government financing is dependent on funds from foreign countries that oppose our policies; and

WHEREAS, to enjoy the freedoms that their forefathers fought and died for, our children and grandchildren should not inherit an America that has been mortgaged away. Congress must make a commitment to bring the federal budget back into balance; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED FOURTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that this General Assembly officially expresses its displeasure and dismay with the unprecedented level of the Federal Debt and our nation's increasing dependency on foreign funding to cover the expanding budget deficits.

BE IT FURTHER RESOLVED, that appropriate copies of this resolution be prepared and sent to each member of the U.S. Congressional Delegation from Tennessee, the Speaker and Clerk of the U.S. House of Representatives, the President and Secretary of the U.S. Senate, and each member of the U.S. Congress.